## IN THE SPECIFICATION

Please replace the following paragraphs:

Page 8, line 21 to page 9, line 7.

FIG. 1 illustrates a diagrammatic representation of a smart battery authentication system 100 for authenticating a smart battery 110, according to an embodiment. The smart battery 110 and/or an AC power source 140 provides power to a portable information handling system device 101. The smart battery authentication system 100 includes: 1) the smart battery 110 having a smart electronics 112 device and at least one rechargeable cell 116, 2) a controller 170 included in the portable device 101 for controlling the operation of power sources such as the battery 110 via control line 172 and the AC power source 140, 3) the AC power source 140, 4) an AC/DC adaptor device 130 for converting the AC voltage/power to DC voltage/power, 5) a charger device 120 providing the charge to the smart batteries 110 via a charge line 152, 6) an AC power source switch 132 for controlling the flow of power from the AC/DC adaptor 130 to the portable device 101 by control line 164, and 7) a primary discharge switch 134 for controlling the flow of power from the smart battery 110 to the portable device 101 by control line 166, and 8) a primary charge switch 144 for controlling the flow of power from the charger 120 to the smart battery 110 by control line 162.

Page 12, line 11 to page 12, line 21.

The authentication process is implemented using a single encryption step and a single decryption step described earlier in FIG. 1. In one embodiment, to further improve the authentication process, a two-step encryption/decryption process is implemented, as described in further detail in FIG. 3. In the two-step authentication

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process the smart battery 110 performs the decryption as well as the encryption step. Thus, the processor 210 is operable to advantageously perform the encryption and/or decryption functions described earlier. In addition, the processor 210 also handles communications with the controller 170 through the control line 172, and with the smart electronics 112 through a control line 274. In one embodiment, control lines 172 and 274 use the SMBus. The addition of the processor 210 advantageously reduces the complexity of the smart electronics 112.